

CONSULTATION QUESTIONS

Section 1

Q1) Do you think the Home Report is meeting its original objectives?

Yes No

Q1a) If yes, please explain why

The NLA believes that the Home Report, as currently composed, meets the objective of providing more information in a standardised manner at an earlier stage. However, this does not necessarily mean that it does so in the most appropriate or effective manner.

NLA member landlords are more frequent consumers of Home Reports than the majority of home purchasers, and as a result more sensitive to their flaws.

In particular they cite the expense of the reports and their inaccessibility as a result of length as barriers to making them entirely useful tools for property professionals or owner-occupiers looking to acquire residential property.

Additionally, the risk averse nature and style adopted by those compiling the surveys is frequently referenced as a detracting factor. It is arguable that the reports would serve a more directly relevant purpose if those responsible for their technical composition were both more confident in their assessments and therefore accountable for any future consequences.

However, we are aware that this is likely a criticism which could be levelled more broadly at the surveying industry.

Q1b) If no, please explain why

Comments

Q2) Are the original Home Report objectives still appropriate?

Yes No

Q2a) If yes, please explain why

It remains a reasonable policy objective to encourage greater transparency and to expedite negotiations.

However, it should be noted that in a demand driven environment there are circumstances in which this facility can hinder market forces as a 'market valuation' is presented to readers.

Furthermore, it would be beneficial to require a rental valuation.

At present this field is commonly left blank, necessitating an additional valuation in respect of landlord buyers. As this cannot be updated after the fact it represents an unnecessary cost and delay.

Q2b) If no, please explain why

Comments

Q3) Should the Home Report play a more central role in promoting energy efficiency and property condition improvements among home owners?

Yes No

Q3a) If yes, please explain why

Q3b) If no, please explain why

The NLA promotes greater transparency and awareness of the energy efficiency of housing stock. However, we see no significant justification for modifying the existing Energy Report.

Q4) Should a national register of Home Reports be established?

Yes No

Q4a) If yes, please explain why including who should have responsibility for development and maintenance

Comments

Q4b) If no, please explain why

The NLA is not aware of any significant consumer driven demand for such a measure, which would inevitably have cost implications for report providers and therefore those commissioning Home Reports.

Section 2

Q5) Do you think the upfront cost of Home Reports is preventing potential sellers from putting their property onto the market?

Yes No

Q5a) If yes, please provide details.

Comments

Q6) Are you aware of any schemes available (e.g. deferred payment) to help potential sellers to pay for home reports?

Yes No

Q6a) If yes, please provide details

Comments

Q7) Are there any issues with the majority of Home Reports being commissioned through selling agents?

Yes No

Q7a) If yes, please explain why

Although we do not have empirical evidence to suggest there are significant issues in this regard, there are certainly concerns about the influence that a selling agent can have on the objectivity of the report valuer.

It is also possible that competition in the provision of Home Reports is somewhat stymied by sellers' reliance on their respective agents.

Q7b) If no, please explain why

Comments

Q8) Should other organisations be allowed to carry out the Single Survey (including valuation) and/or the Energy Report?

Yes No

Q8a) If yes, what other organisations and why

Comments

Q8b) If no, please explain why

Comments

Q9) In your experience is the requirement for a home report before marketing a property leading to delays in properties coming onto the market?

Yes No

Q9a) If yes, please outline the implications of this.

It is likely that the significance of these delays are likely relatively minor. However, the wider concern the NLA has about this requirement is the likelihood that valuations will require revisiting in order to be considered recent enough for lenders to agree finance.

Q10) Are home reports a useful marketing tool for sellers?

Yes No

Q10a) If yes, please explain why

The reports can certainly be useful in certain circumstances. However, they are undoubtedly more useful for the buyer than the vendor.

It is likely that they represent greater value for amateur owner occupiers relative to landlords and other property professionals,.

Q10b) If no, please explain why

Comments

Q11) Is the 12 week deadline for marketing a property after completion of a home report appropriate and reasonable?

Yes No Unsure

The NLA recognises the need for relevant and timely valuations, and that there must therefore be a time limit. However, we must note that the cost associated with 'refreshing' valuations after 12 weeks can be burdensome.

Q11a) If yes, please explain why

Comments

Q11b) If no, please explain why

Comments

Q12) Is the 28 day provision for removing a property from the market without requiring a new home report appropriate and reasonable?

Yes No

Q12a) If yes, please explain why

Comments

Q12b) If no, please explain why

Comments

Q13) Are there any issues with potential buyers accessing home reports?

Yes No

Q13a) If yes, please provide an overview and outline the implications of this

Comments

Q14) Is this the most appropriate way to enforce home report legislation?

Yes No

Q14a) If no, please explain why and how this could be improved

Comments

Q15) What are your views on mortgage lenders' acceptance of home report valuations?

The most significant issue reported by NLA members in respect of lender acceptance of Home Reports relates to their timeliness. In the majority of cases valuations are rejected if they exceed their acceptability guidelines. In other instances difficulties arise in respect of non-standard or relatively high risk properties.

Beyond these matters difficulties tend to focus on whether the surveyor is on the respective lender's panel of surveyors.

Q16) Are the re-dress options available to buyers reasonable and appropriate?

Yes No

Q16a) If no, please explain why and how these could be improved

The redress provided is reasonable, however there remain long-standing issues relating to the statements surveyors are prepared to make in the process of compiling the relevant reports.

It is often very difficult to determine whether a definitive position has been adopted by a surveyor – therefore limiting their liability should a third party deem a report misleading.

Q17) Do these exceptions need to be amended?

Yes No

Q17a) If yes, please explain what amendments are required and why

Comments

Section 3

Q18) Does the single survey element of the home report provide an appropriate and useful level of information?

Yes No

Q18a) If no, please explain why and what information should be removed and/or added

The intention and required content is perfectly reasonable. However, the NLA has concerns about the accessibility and usability of the information in relation to the way in which it is presented.

We would encourage greater brevity, summary and fewer caveats which appear to serve only to reduce the accountability of the surveyor.

Q19) Should the repairs categories in the single survey be amended to make them consistent with the categories used in the Scottish House Conditions Survey?

Yes No

Q19a) If yes, please explain why

There appears to be little consistency in relation to the reporting of condition categories. As such we would welcome a consistent approach based on an understood, objective measure.

However, the NLA is not convinced that the Scottish House Conditions Survey format in its entirety is necessarily the most appropriate option. It may be more beneficial to adapt the existing system to incorporate aspects of other rating systems in order to provide sufficient consistency for the consumer, without providing burdensome additional data.

Q19b) If no, please explain why

Comments

Q20) Is the valuation element of the single survey a useful element of the home report? Yes No

There is a value to providing a valuation in the single survey – particularly where this is accepted leveraging purposes. Although this can create additional costs should a property take more than 12 weeks to sell.

However, it is not necessarily useful in high demand markets in which circumstances a value can be volatile and less easily determined. In many respects it can be fairer and more straightforward to allow the market to set values according to demand.

Q20a) If yes, please explain why

Comments

Q20b) If no, please explain why

Comments

Q21) Is the information provided in the energy report appropriate and useful?

Yes No

The information is appropriate, and can be useful in respect of understanding a property's energy performance and planning future improvements.

However, it is very rarely a motivating factor in terms of landlords acquisitive decisions. This is largely a consequence of the lack of interest down-stream by tenants selecting properties.

Q21a) If yes, please explain why

Comments

Q21b) If no, please explain why

Comments

Q22) Is the information provided in the property questionnaire appropriate and useful? Yes No

Q22a) If yes, please explain why

It is information which would always be required to facilitate property transactions, irrespective of their inclusion in the report.

Q22b) If no, please explain why

Comments

Q23) Should an additional question on land maintenance fees be added to the Property Questionnaire?

Yes No

Q23a) If yes, please explain why

Comments

Q23b) If no, please explain why

Although this can represent necessary information, we would be concerned about adding to the length of the report without modifications to ensure its accessibility is increased.